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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, CENTRAL DISTRICT

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

ALLENCO ENERGY INC., a California corporation; CLIFFORD E. ALLEN aka C. E. PETER ALLEN aka PETER ALLEN, an individual; TIMOTHY JAMES PARKER, an individual; and DOES 1 through 25, inclusive,

Defendants.

CASE NO.: BC 532317

[Assigned to Hon. Samantha P. Jessner, Dept. 31]

[PROPOSED] FINAL JUDGMENT

Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, having filed its complaint herein, through their attorneys, MICHAEL N. FEUER, City Attorney for the City of Los Angeles, THOMAS H. PETERS, Chief Assistant City Attorney for the City of Los Angeles, ELISE A RUDEN, Deputy City Attorney for the City of Los Angeles, and GABRIEL S. DERMER, Deputy City Attorney for the City of Los Angeles (collectively, the "People"); and defendants, ALLENCO ENERGY INC. ("AllenCo"), a California corporation, CLIFFORD E. ALLEN, and TIMOTHY JAMES PARKER (collectively, "Defendants," and together with the People, the "Parties"), through Defendants' attorney, MATTHEW A. HOFFMAN, a licensed California attorney, have stipulated that this Final Judgment can be entered without the taking of proof, and without this stipulated Final Judgment constituting evidence or an admission by any of the Parties. This Court having considered the pleadings and the Stipulation for Entry of Final Judgment, and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

JURISDICTION

1. This Court has jurisdiction over the subject matter hereof and the parties hereto.

APPLICABILITY

2. This Final Judgment is applicable to Defendants and their officers, representatives, successors, assignees, and all persons, partnerships, corporations, and other entities acting under, by, through, on behalf of, or in concert with Defendants, with actual or constructive knowledge of this Final Judgment.

3. This Final Judgment relates to activities and conditions at the oil and gas production facility located at 814 West 23rd Street in the City of Los Angeles (the "Facility"). The Parties agree that the Los Angeles County Superior Court shall have continuing jurisdiction to resolve and enforce this Final Judgment. Should the People believe that Defendants have violated any provision of the Final Judgment, the People may move or apply to this Court for an Order to Show Cause pursuant to California law and to award other appropriate relief by serving and filing a regularly noticed motion, or an ex parte application in the case of an emergency, in accordance with the California Rules of Court.

COMPLIANCE

4. Defendants shall use good faith efforts to make available, and fully and clearly explain, the

injunctive language of this Final Judgment, including the terms and conditions thereof, to AllenCo's officers, employees, contractors, successors, assignees, and any persons or entities responsible for the operation of the Facility.

MONETARY PROVISIONS

5. **Civil Penalties.** Defendant AllenCo is hereby ordered, pursuant to Health and Safety Code Sections 25515 and 25515.2, to pay civil penalties in the total amount of $1,250,000, payable in installments of $250,000 per year over five consecutive years. The civil penalties paid pursuant to this Final Judgment are not dischargeable in bankruptcy.

6. **Delivery of Funds.** All civil penalties shall be delivered to Thomas H. Peters, Chief Assistant City Attorney for the City of Los Angeles, 200 North Main Street, 7th Floor, Los Angeles, California 90012. The first installment shall be delivered on or before the expiration of sixty (60) days following the Entry of Final Judgment. The remaining four installments shall be delivered in 2017, 2018, 2019, and 2020, respectively, on or before the anniversary of the delivery of the first installment. Payments shall be delivered in the form of separate checks. Each such check shall be made payable to the City of Los Angeles.

INJUNCTION

7. Pursuant to Health and Safety Code Sections 25515.6 and 25515.8 and Business and Professions Code sections 17203, Defendants, and their successors, assignees, officers, employees, agents, representatives, and all persons acting in concert or participation with any of them, with actual or constructive notice of this Final Judgment, are enjoined and restrained from violating all laws, orders, rules and regulations, including, but not limited to, California Health and Safety Code, Division 20, Chapter 6.95; California Water Code Sections 13385 and 13387(a)(2); California Public Resources Code Section 3270; Los Angeles Municipal Code Sections 57.01.35, 57.08.06, and 57.20.15; and California Civil Code 3480. Defendants shall allow Federal, State, County and City agencies to inspect the Facility to confirm that the Facility and its operations comply with the Los Angeles Municipal Code, California State and Federal laws. Defendants will not resume operations at the Facility until the Facility is in compliance with all laws, orders, rules and regulations of City, State and Federal enforcement and regulatory agencies, including but not limited to, California and Federal Environmental

Protection Agency, California Department of Conservation, Division of Oil, Gas & Geothermal Resources, South Coast Air Quality Management District and City of Los Angeles Fire Department, and said agencies have approved the resumption of operations. Defendants shall provide evidence of such compliance and approval to the City Attorney's Office at least fourteen (14) days prior to resuming operations at the Facility.

8. The People agree to provide Defendants with two Court days' notice as to any alleged violation of this injunction prior to requesting the Court sanction Defendants, or any of them, for failure to comply with the terms of this injunction, except the People may seek immediate relief in the event of an emergency. At any time after the expiration of four years from the date Defendants resume operations at the Facility, Defendants may request that the Court order a termination of this injunction provided that:

(a) Written notice is served on the People at least thirty (30) days prior to the request, and;

(b) The Defendants submit a certification of affidavit from a responsible corporate officer to show that, for the last four consecutive years from the date operations at the Facility have been resumed there have been no violations of the injunctive terms and conditions herein.

Any violation of this Final Judgment Pursuant to Stipulation may be the basis of a separate and additional criminal or civil enforcement action commenced for a violation of statutory or regulatory requirements.

FENCELINE MONITORING

9. Commencing upon Defendants' resumption of operations at the Facility, and for a period of four consecutive years thereafter, AllenCo and any successor lessor or operator of the Facility shall establish, maintain and pay for a fence line monitoring program at the periphery of the Facility, consisting of an analyzer station, sampling system (containing no less than four sampling inlet points at locations to be agreed upon by the Parties), and meteorological station. The monitoring program shall continuously monitor and sample the air in real time for methane, non-methane hydrocarbons, and hydrogen sulfide, and collect and evaluate species of non-methane hydrocarbons (including benzene) on

a 12-day cycle. This fence line monitoring program shall run with the Facility and shall apply to any successor lessor or operator of the Facility. Defendants shall retain and pay Eric D. Winegar, PhD, QEP to be the third party ("Monitor") to operate the fence line monitoring program. In the event the Monitor needs to be replaced, the Parties will immediately meet and confer in an effort to select a new Monitor. The Monitor shall have relevant experience with air monitoring, regulation, compliance, and evaluation. The Monitor shall not have any financial ties to Defendants beyond payment for duties as the Monitor. If the Parties cannot agree on a selection within fourteen (14) days of learning of the need to replace the Monitor, each party will propose a replacement Monitor and immediately request the Court make the selection. The Court's selection will be binding on the Parties.

10. Within 30 days of Entry of this Final Judgment, Defendants shall designate a senior employee located at the Facility who will interface with the Monitor and disclose the identity of that employee to the City Attorney's Office. In the event the designated senior employee needs to be replaced, Defendants shall designate a new employee and disclose the identity of that employee to the City Attorney's Office within fourteen (14) days.

11. The details and specifications of the fence line monitoring program are memorialized in Exhibit 1, which is attached hereto and incorporated into this Judgment. The Monitor's duties, as more fully described in Exhibit 1, shall include:

a) Periodic review of continuous fence line monitoring data, including analysis of any exceedance of the designated tiers.

b) Collection and analysis of canister samples on a 12-day cycle.

c) Calibration and maintenance of all air monitoring equipment associated with the oil operations at the Facility.

d) Maintaining and reporting monitoring data on a webpage accessible to the public.

12. Defendants shall coordinate with, and make good faith efforts to cooperate with, the Monitor and/or make all necessary reports to regulatory agencies.

13. Defendants shall maintain and manage the Facility and its equipment so as to comply with all Federal, State, County and City Health and Safety laws. Upon discovery of any code violation,

Defendants shall respond to and/or comply with all regulatory orders immediately.

MISCELLANEOUS

14. Each party shall bear its own attorneys' fees and costs.

15. The failure of the People to enforce any provision of this Final Judgment shall neither be deemed a waiver of such provision nor shall it in any way affect the validity of this Final Judgment. The failure of the People to enforce any provision shall not preclude it from later enforcing the same or other provisions of this Final Judgment. Nothing in this Final Judgment shall relieve Defendants from complying with any requirements that may be imposed hereafter by changes in applicable law.

16. This Final Judgment is entered solely for the purposes of settlement and compromise and is in no way intended to be an alteration of California law in any other action. If an ambiguity arises regarding any provision of this Final Judgment that requires interpretation, there is no presumption that document should be interpreted against any Party. The presumption set forth in California Civil Code section 1654 is not applicable.

17. Jurisdiction pursuant to California Code of Civil Procedure Section 664.6 is retained for the purpose of enabling any Party to the Stipulated Final Judgment to apply to the Court for such further orders and directions as may be necessary and appropriate for the construction and carrying out of the Stipulated Final Judgment, for the modification or dissolution of any injunctive provisions hereof, for enforcement of compliance herewith, or for the punishment of violations hereof.

18. This Judgment has been reviewed by the Court, and based upon the representations of the Parties, the Court finds that it has been entered in good faith and is, in all respects, fair, just, and equitable to protect the public and the individuals who may have been affected by the issues related as more fully described in the Complaint.

19. The clerk is directed to enter this stipulated Final Judgment forthwith.

DATED: _____ _____

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

AllenCo Monitoring System

Summary of AllenCo Air Monitoring Program

I. Background

- The purpose of this monitoring program is to address concerns raised by community groups that live around the oil production facility located at 814 West 23rd Street in the City of Los Angeles (the "Facility").
- This proposal is agreed upon by Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, through their attorneys, MICHAEL N. FEUER, City Attorney for the City of Los Angeles, THOMAS H. PETERS, Chief Assistant City Attorney for the City of Los Angeles, ELISE A RUDEN, Deputy City Attorney for the City of Los Angeles, and GABRIEL S. DERMER, Deputy City Attorney for the City of Los Angeles (collectively, the "People"); and defendants ALLENCO ENERGY INC. ("AllenCo"), a California corporation, CLIFFORD E. ALLEN, and TIMOTHY JAMES PARKER (collectively, "AllenCo," and together with the People, the "Parties").

II. Monitoring

- Continuous fenceline monitoring, using state of the art equipment
  - Meteorology
  - Methane
  - Total Non-methane hydrocarbons
  - Hydrogen sulfide

- Four sampling locations, one on each side of facility, sample from each point collected in rotation
- Canister sampling (24-hr) for species—Every 12 days, for major toxic species
- Canister sampling (grab) for species—Any Tier 2 exceedance that is attributable to AllenCo
- Species for analysis in the canister samples:
  Benzene
  Toluene,
  Ethylbenzene,
  Trimethyl benzene,
  Naphthalene, and
  TPHv (C5-C12 fraction)

III. Tiers

- Definition: Tier (action) levels defined as a set of actions to be performed upon exceedance of a series of set concentration levels, based on established health standards, odor thresholds, and/or the agreement of the Parties.

  - Tier 1: For minor events in facility that will not impact the community
  - Tier 2: For <u>potential</u> of community impact (odors and/or exposure)

- Tier 3: For significant concentrations, and after validation of data and verification that the Facility is the source of the exceedance, Facility shut down and notification of public agencies and the community

- Tier Level Elements

  - Averaging Time—How long of a measurement period
  - Frequency—Consequences for frequency of Tier 2 exceedances
  - Targets—Chemicals to be monitored (listed above)
  - Actions—Actions to be taken upon exceedance of the Tier

- Tier exceedance actions' scheme defined in as follow the following steps:

  - Detection—System Operator validates that trigger level has been exceeded
  - Notification—1) AllenCo: all Tier exceedances (immediately so they can commence a search for cause); 2) Public: (via website in Tier 2), 3) Public agencies and Community (Tier 3)
  - Cause—AllenCo will attempt to determine whether the exceedance is the result of operations at the Facility, and will repair any equipment that is causing the exceedance. AllenCo will also inform the System Operator if it is determined that the exceedance is coming from a source other than the Facility.
  - Verification—if the exceedance is the result of operations at the Facility, the System Operator will confirm that the cause of the exceedance has been corrected or repaired.

  - Tier Level Concentrations--Based on health standards, odor thresholds for target chemicals, and/or the agreement of the Parties—shown in next page.

IV. Communication/Community Relations

- Communication

  - Training for Facility operators
  - Community meeting to present and explain monitoring program
  - Website—Data Display: for routine display of ongoing data,
  - Website—Notification of potential odor events (Tier 2)
  - Website—For reporting of odor observations by community (no action required on AllenCo's part on these observations)

Tier Levels[1]

Tier Level 1	(Chronic)
Analysis Time:	Averaged over 8-hr period
Frequency:	NA
Hydrogen Sulfide:	0.008 ppmv (8 ppbv)
NMHC:	1 ppmv
Methane:	10 ppmv
Actions:	SysOp: 1) Validate data, 2) Alert SiteOp for immediate inspection, 3) Confirm verification SiteOp: 1) Immediate inspection, 2) Repair, 3) Provide verification

Tier Level 2	(Intermediate)
Analysis Time:	Averaged over 1-hour period
Frequency:	5 times in a month; elevate to Tier 3 Warning, do Health Index evaluation 10 times in a month, elevate to Tier 3 shutdown
Hydrogen Sulfide:	0.030 ppmv (30 ppbv)
NMHC:	10 ppmv
Methane:	100 ppmv
Odor:	Incorporated into threshold levels, both hydrogen sulfide and NMHC.
Actions:	SysOp: 1) Validate data, 2) Alert SiteOp for inspection, 3) Trigger additional canister collection, 4) Post community warning, 5) Confirm verification SiteOp: 1) Immediate inspection, 2) Repair, 3) Provide verification

Tier Level 3	(Acute)
Analysis Time:	Any three sequential detections above threshold
Frequency:	Once
Hydrogen Sulfide:	0.060 ppmv (60 ppbv)
NMHC:	100 ppmv
Methane:	1000 ppmv
Odor:	Incorporated into threshold levels, both hydrogen sulfide and NMHC.
Actions:	SysOp: 1) Validate data, 2) Alert SiteOp for shutdown, 3) Alert Public Agencies, 4) Post community warning, 5) Trigger canister sample, 6) Confirm verification SiteOp: 1) Shut system down upon validation, 2) Immediate inspection, 3) Repair, 4) Provide verification

SysOp = System Operator—independent monitoring system operator
SiteOp= Site Operator—AllenCo staff site operator.

[1] The Tier Levels for the various constituents are minimum values and may be adjusted upward pursuant to ambient air data collected as part of a baseline study.

Assessment of 24-Hour Summa Canister Sampling Data at 12-Day Intervals

While continuous monitoring is appropriate for species where short-term exposures can lead to health effects, for species where the primary concern is chronic or long-term exposure, periodic monitoring is appropriate to identify any long-term increases in ambient levels. Therefore, benzene and naphthalene in outdoor air will be assessed every 12 days via summa canister sample collection and laboratory analyses. The concentrations of these chemicals will be compared to noncancer chronic health levels established by the California Environmental Protection Agency Office of Environmental Health Hazard Assessment (Cal/EPA OEHHA), referred to as chronic reference exposure levels (RELs). If the concentration of either chemical exceeds both its chronic REL and background range (as established through baseline monitoring and/or comparison to recent California Air Resources Board (CARB) data for Los Angeles), it will be considered a Tier 2 exceedance.

Table 1. Tier 2 Thresholds

Analyte	OEHHA Chronic REL	Background Range
Benzene	1	TBE
Naphthalene	2	TBE

REL= reference exposure level in ppb
TBE = to be established based on baseline and/or CARB ambient air monitoring

For chemicals being analyzed via real-time monitoring at the AllenCo facility, five unique confirmed and validated exceedances of any combination of Tier 2 thresholds (single or multiple chemicals) over a 30-day period will trigger the evaluation of the corresponding monthly Summa canister sample results (TO-15 analyses). This evaluation of the monthly Summa canister analyses will include the following chemicals that may contribute to chronic health risks and are not amenable to real-time monitoring: benzene, hexane, toluene, ethyl benzene, trimethyl benzenes, naphthalene, and TPHv (the C5-C12 TPH carbon range). The "high frequency exceedance" evaluation will use the maximum concentrations from the two most recent monthly summa canister sampling events to calculate chemical-specific noncancer risks (based on Cal/EPA, United States EPA, and other toxicity criteria as appropriate) as well as the potential cumulative risk. If the hazard quotient for any individual chemical or the cumulative noncancer hazard index exceeds 1.0 (not including the background contribution), the generally recognized threshold for regulatory concern, additional Summa canister samples will be collected. Further actions will be determined based on these additional Summa canister analyses as well as the ongoing real-time monitoring data.

I. Details on AllenCo Monitoring System

Purpose of System

The purpose of the air monitoring system is to collect ambient air on a continuous rotating basis from all four sides of the site, using modern detection technology to measure the concentrations of methane, non-methane hydrocarbons, and hydrogen sulfide on a continuous basis, with speciated hydrocarbons on a periodic and event-driven basis. Local meteorological data will be collected concurrently.

Using an advanced data system, a detection/response/verification approach will be used with a system of tiered concentration thresholds to provide an increasingly vigorous response to various site activities that may affect the community. The air monitoring program will involve cooperation from AllenCo, coupled with independent verification. Confidence in this approach will be enhanced through improved communication--an initial public meeting as well as on-going verification of response to events.

Protection from false-positive events will be built into the alarm and review system so that unnecessary concern will not be raised for measurement errors or inconsequential events, and steps will be taken to educate the community about the significance of certain data points, especially at the Tier 1 level. All data will be reviewed and verified prior to use and/or release.

These aspects are presented in more detail below.

Note: The 'System' refers to the sample collection and measurement system. The 'System Operator' refers to the measurement system independent operator, in shorthand 'SysOp.' 'AllenCo' refers to the AllenCo site operator, in short 'SiteOp.' 'Community' refers to the outside public or the community at large, and 'Agencies' refers to public agencies such as the Fire Department, SCAQMD, the City of Los Angeles, and other first responders. The "City consultant" refers to Dr. Eric Winegar.

Description of System

The system will consist of the following elements:

1. Analyzer Station;
2. Sample Collection System;
3. Analyzers;
4. Meteorological System; and
5. Data System/Notification.

Detailed Description of System

1. Analyzer Station

The purpose of the analyzer station is to securely house the specified analyzers in a temperature controlled environment. In addition, the station will house the necessary computing resources for data collection, management and remote access. This location will house the primary data storage capability, with suitable off-site/cloud backup. Details related to the computing resources are addressed below.

- Location: The station shall be located in the southeast corner of the site. Sufficient clearance will be available for vehicles to be parked nearby and for access to all four sites. Specific location to be determined in consultation with City consultant.
- Shelter: An inexpensive insulated cargo trailer or pre-fab enclosure will be used to house the equipment.
- The shelter will be accessible only to the System Operator, unless in the case of an emergency (e.g., such as fire or other catastrophic event).
- Power (120 AC, 50 amp) will be provided for use in the equipment shelter. A qualified electrician will be employed to make the necessary connections.
- Indoor power distribution will be installed as needed by the analyzer and other system components.
- Uninterruptable power supplies will be installed for system computing components.
- Air conditioning will be installed as part of the necessary shelter accessories.
- High speed internet service will be provided to the shelter by AllenCo.
- Facility for storage of compressed gas cylinders for use by the analyzers will be constructed as part of the shelter. It is agreed that no special consideration must be made for this storage, including hydrogen gas. If any public agency requires additional steps for management of these cylinders pursuant to law, AllenCo agrees to make the required changes.

2. Sample Collection System

The purpose of the sample collection system is to sample ambient air from all four sides of the Facility and transport it to the analyzers for the requisite analysis.

- Sample inlets will be constructed and mounted at four suitable locations at each of the four sides of the Facility. Specific sites will be determined by the Parties after consultation with the City consultant. The sample inlets will consist of a suitable dust filter with a collection funnel placed in downward orientation to prevent entry of rain. The inlets will be placed above the top of the Facility fence in order to allow appropriate capture of air flow, with suitable camouflage to discourage vandalism or interference. These details will be determined by the Parties after consultation with the City consultant.
- Teflon tubing (1/4 or 3/8 in OD) will be used to fabricate the sample inlet transport lines. A protective housing will be used where necessary. The sample transport lines will be installed along the Facility walls where necessary, or along pipeline corridors where suitable, such as leading to the west wall, along the main pipeline chase. These instances will be determined by the Parties after consultation with the City consultant.
- The sampling system lines will terminate at a sample collection manifold in the shelter where it will be connected to a purge pump that operates continuously to purge the sample lines, ensuring a fresh current sample that is presented to the analyzers. The flow from each of the sources (inlets) and destinations (analyzers) will be under control of the system computer. Excess purge flow beyond what the analyzers require will be vented. A 5-minute rotation cycle is expected to be used between all the inlets which will provide an adequate frequency for each inlet. Alternative options include basing the frequency on wind direction; to be determined after initial system testing.
- The sample manifold will provide sample to the analyzers at their required flow rate.
- Zero air and calibration gas will also be provided via the sample manifold or as required by the analyzer.
- Speciation samples shall be collected in Summa canisters that will be connected to the sample manifold via connection tubing and a remote-controlled valve. A 24-hour integrated sample shall be collected from the manifold once every 12 days. In the event of a spike/excursion event of high concentrations that triggers a Tier 2 condition, a canister sample for speciation will be collected using the system computer to trigger a valve that opens the sampling line to the canister. This sample will be sent to the laboratory for a rapid 24-hr turnaround speciation analysis, thus providing rapid data reporting.

3. Analyzers

The analyzers provide the raw data from the sample presented to it: (M-NMHC)—methane/total non-methane hydrocarbons, and hydrogen sulfide. Methane and NMHC concentrations will be reported in ppmv, hydrogen sulfide reported in ppbv.

Calibrator provides automated daily calibration checks.

Specific analyzers that will be installed are listed below:

- Hydrocarbons
    - Methane/Non-methane analyzer: Continuous FID/column separation—Thermo-Fisher Model 55i (or equivalent)
- Hydrogen sulfide
    - Thermal UV-fluorescence analyzer—Teledyne-API T101 (or equivalent)
- Zero air supply
    - Teledyne-API Model T701 (or equivalent) if determined to be economically advantageous compared to gas cylinders
- Calibration system—for automatic system calibration and checks
    - Teledyne-API T700 (or equivalent)
- Data System

Data system will be the DR-DAS Ultimate package, which allows for a wide range of capability in data collection, alarming and notification, and data base provisions. This system includes both the software system and computing hardware.

4. Meteorological Station

A standard 10-meter tower will be installed at the central Facility location, alongside the main east-west pipe chase, at the pole.

The sensors will consist of the following and will be obtained from various vendors:

- Wind speed and Direction
- Temperature
- Relative humidity
- Barometric pressure

Data from these sensors will be collected and stored in a Campbell Scientific CR1000 or equivalent, which will be connected via a short-range radio to the analyzer shelter for storage in the main system data base.

In conjunction with the meteorological station, a video data collection system will be installed that will provide visual documentation of onsite events.

Standard Operation Procedures

Written standard operation procedures will be prepared by the System Operator.

II. Installation and Operation

Phase I—Setup

Installation and startup of the System will consist of two phases—Phase I: Setup, and Phase II: Operations:

Phase I. Set Up –Installation of Monitoring Equipment and Baseline Study

Setup in general will consist of the elements noted above being installed and tested. In addition, a pre-operational baseline study will be conducted in order to determine background concentrations of the target analytes for use in the second, operational phase. The timing of these two tasks will be determined on the basis of equipment lead time and the schedule for Facility re-opening. The baseline study will be conducted in advance of re-opening in order to obtain background concentrations for the area, without any possible influence from site operations.

Baseline Study

A study of background conditions and concentrations of the target species outlined above will be conducted after the System is installed and prior to the startup of AllenCo operations. A minimum of two weeks of data collection will be conducted. The data collected in this period will be reviewed by the Parties, who will use them along with standard publically available health standards to assess the agreed upon Tier concentration thresholds.

Communication Training and Public Meeting

AllenCo staff and System Operator will attend a communication training session provided by Dr. Mary McDaniel of Intrinsik, Inc. Following this course, a public orientation meeting will be held, managed by Dr. McDaniel, in which the System will be explained to the community and the System Operator will be introduced.

Phase II –Operations

Phase II operations will consist of continuous operation of the System as described above.

Routine System Operation

Regular operation of the System will commence upon completion of the baseline study. Daily checks of the Data System (as defined below) will be conducted remotely by the System Operator, and in-person inspections and canister swaps will be conducted by the System Operator or designee every 12 days. Site visits on a monthly to six week basis, or as necessary by the SysOp will be maintained.

Audits

Annual audits of the meteorological system will be conducted by the System Operator or designee.

Data System—Notification and Tiers

The Data System will consist of DR-DAS software and computing resources installed in the analyzer station shelter, with internet connection for remote access. This software will be programmed to provide email, text, and/or telephonic notifications of exceedances of the Tier thresholds.

In addition, a website will be prepared that includes data collected during routine monitoring. Data will be reviewed and posted within 24-hours of collection.

Notifications of Tier exceedance will be sent immediately upon detection of an exceedance condition by the System software. All notifications will be sent concurrently to the AllenCo operator and the System Operator. The System Operator will access the site database to examine the data that caused the triggering of the notification. Concurrently, AllenCo staff will immediately examine their operations to determine whether Facility operations are the cause of the exceedance, and if so, to remediate that cause. For Tier 2 and Tier 3 exceedances, AllenCo will submit documentation within 24 hours of the suspected cause and any mitigation efforts to the System Operator, who in turn will provide to City staff.

Tier Levels

For Hydrogen Sulfide, a reading of 8 ppbv is a Tier 1 event, a reading of 30 ppbv is a Tier 2 event and a reading of 60 ppbv is a Tier 3 event.

For NMHC, a reading of 1 ppmv is a Tier 1 event, a reading of 10 ppmv is a Tier 2 event and a reading of 100 ppmv is a Tier 3 event.

For Methane, a reading of 10 ppmv is a Tier 1 event, a reading of 100 ppmv is a Tier 2 event and a reading of 1000 ppmv is a Tier 3 event.

Any Tier 2 event that occurs 5 times in a month shall be elevated to a Tier 3 Warning, and 10 Tier 2 events in a month shall be elevated to a Tier 3 shutdown.

For Benzene, a reading of 1 ppb is a Tier 2 event.

For Naphthalene, a reading of 2 ppb is a Tier 2 event.

The three Tier levels will be based on the general approach of detection of exceedance, response to that exceedance, and verification of response, as illustrated in the following steps:

1. Detection: The System detects via its internal data comparison algorithm that a trigger level has been exceeded.

2. Notification is automatically made to the following under all exceedances: System Operator, and AllenCo, and for Tier 3, as outlined below.

3. AllenCo immediately commences a search for the cause of the exceedance through examination of process conditions and meters and a physical inspection of potential components or sources.

4. If the Facility is determined to be the cause of the exceedance and AllenCo repairs or mitigates that cause, verification via a written documentation of that process will be submitted to the System Operator.

5. In the event of a Tier 3 exceedance, a special set of responses will be conducted due to the severity of the exceedance and the consequential responses. The System Operator will immediately review the data to provide assurance of its validity, while AllenCo will concurrently inspect for possible causes. If the exceedance is verified by the System Operator, and either AllenCo or the System Operator determines that the Facility is the source of that exceedance, AllenCo will immediately shut down the Facility upon notification. Public agencies and the community will be notified as well at that point of a likely impact to the community. These notifications will be via text, telephone and website. Specific contact points will be obtained for each of these public agencies during the initial set up process. Community notification points of contact will also be determined during the set up process.

In all cases of exceedances, the AllenCo responses and verification of mitigation will be reviewed by the System Operator and City to determine if sufficient response has been conducted. AllenCo agrees to participate in this review and will augment their response if determined to be insufficient. A response will be deemed sufficient if an exceedance that is shown to be attributable to the Facility is remediated.